GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4183
ANSWERED ON:04.05.2007
MISUSE OF IT EXEMPTION BY CORPORATES
Khaire Shri Chandrakant Bhaurao;Meghwal Shri Kailash

Will the Minister of FINANCE be pleased to state:

(a) the details of contribution to Charity made by Corporates in India during each of the last three years;

(b) whether a number of companies are making this contribution to unscrupulous charitable institutions just to evade taxes;

(c) if so, the details thereof and action taken thereon;

(d) whether the Government proposes to amend the laws related to donation more transparent; and

(e) if so, the details thereof?

Answer

MINISTER OF THE STATE FOR FINANCE (REVENUE) SHRI S.S. PALANIMANICKAM:

(a) No data regarding the contribution to Charity made by Corporates in India is maintained by the Income Tax Department. The contributions made to specified/approved charitable institutions are eligible for deduction under Section 80G of the Income Tax Act, 1961. As per e-retums filed by the Corporate assessees for assessment year 2006-07, the total amount of deduction claimed under Section 80G of the Income Tax Act, 1961 by the Corporate assessees is Rs. 10445.38 crore. Figures for earlier years are not available as the filing of e-retums for Corporate assessees was made compulsory only from Assessment Year 2006- 07.

(b) No such incident is noticed so far.

(c) Not applicable in view of (b) above.

(d)&(e) There is no proposal with the Government to amend the laws related to donations made to charitable institutions, in the near future.